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ASX Release

Production of first nickel concentrates from Avebury



OZ Minerals Limited advises that its Avebury underground mining operation in Tasmania has produced its first nickel concentrate. Over the last month, commissioning of the concentrator has progressed to plan, and the plant is now in continuous operating mode, producing a final product.

The Avebury operation will continue to ramp-up to full production over the next quarter, to achieve an annualised production rate of 8,500 tonnes of nickel in concentrate. The first commercial sales of nickel concentrates remain planned for August 2008.

Zinifex, which has merged with Oxiana to form OZ Minerals, moved to acquire the Avebury Operation in late 2007, as a part of the take-over of Allegiance Mining which has now been finalised.

OZ Minerals Chief Operating Officer Australia, Mr Brett Fletcher said, "the team at Avebury have performed very well with the commissioning activities being safely and professionally executed.

"Avebury is OZ Minerals' first nickel operation, and is an important part of the new Group and its strategy to continue to diversify its commodity base."

Significant exploration potential exists at Avebury and an exploration-drilling program is currently underway.

Mr Matt Daly has been appointed as the General Manager of the OZ Minerals Avebury Operation and will take over from former Allegiance CEO Bruce McGowan in September.

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About OZ Minerals

OZ Minerals, which was formed as the result of the merger of Oxiana and Zinifex, is Australia's third largest diversified mining company and the world's second largest producer of zinc, a substantial producer of copper, lead, gold and silver and a new producer of nickel.

The Company currently has five mining operations located in Australia and Asia, three new mining projects in development (including Avebury), and a large portfolio of exploration projects throughout Australia, Asia and North America.

With a strong production base, attractive development pipeline, prospective exploration portfolio and a sound financial position, OZ Minerals is well-positioned to succeed, especially in the current environment defined by growing world-wide demand for all basic commodities.